

UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
WESTERN DIVISION

UNITED STATES OF AMERICA,

*Plaintiff,*

v.

KENNETH L. FAUGHT, JR. and

ARRICE K. FAUGHT,

*Defendants.*

Case No.

**COMPLAINT**

1. The United States brings this suit to collect against Kenneth L. Faught, Jr., individually, and against Kenneth Faught and Arrice K. Faught, jointly, for unpaid federal income taxes.

**Authorization**

2. This action is authorized and requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury. The Attorney General directed that it be commenced. 26 U.S.C. § 7401.

**Jurisdiction, Venue, and Parties**

3. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331, 1340, and 1345, and under 26 U.S.C. §§ 7401 and 7402(a).

4. Kenneth and Arrice Faught reside in Tuscaloosa, Alabama.

5. On information and belief, from 2007 through 2011, Kenneth Faught received income from a real estate business. From 2013 through 2016, Kenneth Faught was self-

employed, Arrice Faught worked in real estate, and the Faughts. received business income from real estate activities.

6. Kenneth Faught, individually, and the Faughts, jointly, owe unpaid federal income tax liabilities that the United States seeks to collect.

7. Venue is proper in the District under 28 U.S.C. §§ 1396 because a substantial part of the conduct giving rise to the United States' claim occurred in this District and the Faughts reside in this District.

**COUNT I – JUDGMENT AGAINST KENNETH FAUGHT  
FOR UNPAID FEDERAL INCOME TAX LIABILITIES**

8. Kenneth Faught has never filed a federal income tax return for 2007 through 2011.

9. A delegate of the Secretary of the Treasury properly assessed against Kenneth Faught the income taxes for the periods shown below, on the dates and in the amounts described below. After applying any abatements, payments, or credits, these liabilities continue to have balances due that include, in addition to tax, (1) assessed and accrued late-filing and late-payment penalties under 26 U.S.C. § 6651; (2) penalties for failure to make estimated tax payments under 26 U.S.C. § 6654 and (3) statutory interest under 26 U.S.C. § 6601. As of January 28, 2022, the balances were as follows:

<b>Tax Year</b>	<b>Assessment Date</b>	<b>Amount Assessed</b>	<b>Balance Due</b>
2007	1/14/2013	\$42,739.00	\$105,365.21
2008	2/13/2012	\$111,912.00	\$259,175.54
2009	1/14/2013	\$34,682.00	\$78,045.10
2010	1/14/2013	\$28,520.00	\$61,247.38
2011	6/22/2015	\$12,851.00	\$26,808.45
<b>Total</b>			<b>\$530,641.68</b>

10. A delegate of the Secretary of the Treasury properly notified Kenneth Faught of the above assessments and made demand for payment under 26 U.S.C. § 6303.

11. Despite notice and demand for payment, Kenneth Faught has failed to pay the liabilities owed.

12. Kenneth Faught did not make any payment of estimated taxes for federal individual income tax liabilities for 2007 through 2011.

13. The only credit against any of Kenneth Faught's federal income tax liabilities for tax years 2007 through 2011 was applied by the IRS to his 2008 tax year and stems from an overpayment of his 2019 tax liability.

14. On January 28, 2022, Kenneth Faught had a balance of \$530,641.68 for his unpaid federal income tax liabilities for tax years 2007 through 2011, including penalties and accrued interest. Statutory interest and penalties will continue to accrue until the liabilities are paid in full.

**COUNT II – JUDGMENT AGAINST KENNETH AND ARRICE FAUGHT  
FOR UNPAID FEDERAL INCOME TAX LIABILITIES**

15. The Faughts untimely filed their joint Forms 1040, Individual Income Tax Returns, for tax years 2013 through 2016, even though extensions were requested and granted, as shown in the table below.

<b>Tax Year</b>	<b>Deadline with Extension</b>	<b>Date Filed</b>
2013	10/15/2014	03/24/2016
2014	10/15/2015	03/24/2016
2015	10/17/2016	10/17/2017
2016	10/16/2017	04/17/2018

16. The Faughts' jointly-filed returns for each of 2013 through 2016 showed self-reported unpaid liabilities in the amounts shown in the table below. A delegate of the Secretary of the Treasury properly assessed against the Faughts the income taxes for the periods shown below, on the dates and in the amounts described below. After applying any abatements, payments, or credits, these liabilities continue to have balances due that include, in addition to

tax, (1) assessed and accrued late-filing and late-payment penalties under 26 U.S.C. § 6651; (2) penalties for failure to make estimated tax payments under 26 U.S.C. § 6654 and (3) statutory interest under 26 U.S.C. § 6601. As of January 28, 2022, the balances were as follows:

<b>Tax Year</b>	<b>Self-Reported Liability</b>	<b>Assessment Date</b>	<b>Amount Assessed</b>	<b>Balance Due</b>
2013	\$27,249.00	5/2/2016	\$27,249.00	\$50,959.11
2014	\$17,748.00	7/18/2016	\$17,748.00	\$33,893.21
2015	\$34,569.00	11/13/2017	\$34,569.00	\$59,972.19
2016	\$38,184.00	5/14/2018	\$38,184.00	\$68,151.59
<b>Total</b>				\$212,976.10

17. A delegate of the Secretary of the Treasury properly notified the Faughts of the above assessments and made demand for payment under 26 U.S.C. § 6303.

18. Despite notice and demand for payment, the Faughts have failed to pay the liabilities owed.

19. The Faughts did not make any payment of estimated taxes for any of their joint federal income tax liabilities for 2013 through 2016.

20. The Faughts have never made a payment toward any of their joint federal income tax liabilities for 2013 through 2016.

21. On January 28, 2022, Kenneth and Arrice Faught had a balance of \$212,976.10 for their unpaid federal income tax liabilities for tax years 2013 through 2016, including penalties and accrued interest. Statutory interest and penalties will continue to accrue until the liabilities are paid in full.

**WHEREFORE**, Plaintiff, United States of America, respectfully prays for the following:

A. That this Court enter judgment for the United States and against Kenneth L. Faught, individually, in the amount of \$530,641.68, as of January 28, 2022, for unpaid federal income tax liabilities, plus interest and statutory additions as allowed by law until paid;

B. That this Court enter judgment for the United States and against Kenneth L. Faught and Arrice K. Faught, jointly and severally, in the amount of \$212,976.10, as of January 28, 2022, for unpaid federal income tax liabilities, plus interest and statutory additions as allowed by law until paid; and

C. That this Court grant the United States such other relief, including costs, as is just and equitable.

Date: February 4, 2022

Respectfully submitted,

DAVID A. HUBBERT  
Deputy Assistant Attorney General

s/Margaret E. Sheer

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